

In re Application of Mark R. Duchow
Serial No. 09/682,876

Rejection Under 35 U.S.C. §102

In maintaining the rejection of independent Claims 2, 3, 14, 15, 32, 44 and 53 under §102, the Examiner has stated that Scroggie (U.S. Patent No. 6,185,541) discloses a system that selects a retailer based on both the buyer's product selection and location (Final Office Action, Paper No. 12 at p.2). Applicant acknowledges that Scroggie teaches the selection of retailers (supermarkets) based on buyer location. The issue upon which the Examiner and the Applicant disagree is whether Scroggie discloses a system that selects a retailer based on the buyer's product selection. It is Applicant's understanding that the Examiner's position is that since Scroggie discloses only supermarkets as retailers, the retailer must be selected based on the product or type of product. During the interview, the Examiner used the example of a consumer using the Scroggie system to buy a computer printer. The Examiner explained that under such circumstances, Scroggie's system would direct a buyer to a computer retailer, rather than a supermarket or other store, and thus, Scroggie's system would inherently select a retailer based on the buyer's product selection.

In response to this, Applicant respectfully submits the following points for further consideration by the Examiner.

First, Scroggie's teachings are directed only to supermarkets and grocery stores. Supermarkets and grocery stores are large general stores, each selling a multitude of different products and brands. Product-type exclusivity is not common among this type of retailer. A product or brand sold at one supermarket is very likely to be available at a neighboring supermarket. Under the system taught by Scroggie, a buyer-selected product is typically available at multiple local retailers. Thus, it is not explicit or inherent in the teachings of Scroggie that the online system directs a buyer to a retailer based on the selected product or

In re Application of Mark R. Duchow
Serial No. 09/682,876

product-type. As disclosed, the system of Scroggie would be quite capable of directing a buyer to a supermarket that does not carry the selected product or honor the buyer's purchasing incentive. Therefore, Scroggie not only fails to teach retailer selection based on buyer product selection, but also fails to provide any motivation or incentive for selecting a retailer based on the buyer's product selection because it is a system used with general retailers, i.e., supermarkets, not dealerships or specialty stores.

Moreover, Scroggie entirely fails to disclose specialty stores, such as computer stores, or brand dealerships, much less an online system for use with such retailers. Unlike Applicant's claimed invention, Scroggie is not concerned with specialty stores or dealerships that carry particular brands or products. More particularly, Scroggie does not disclose an online system that is designed to automatically direct a buyer to a local exclusive dealer.

Applicant's claimed feature of selecting a reseller based on product selection and buyer location is intended to direct a buyer to a dealer carrying a particular product. This feature not only distinguishes over Scroggie, but also provides significant advantage over known online systems in that it does not disturb exclusive distributorship territories.

As discussed in Applicant's prior Response (Paper No. 10 at pp. 4-8), Scroggie does not explicitly teach a system or method that selects retail stores based on buyer product selection. Scroggie only discloses a system that requires the buyer to actively select a local retailer from a list of supermarkets in the immediate shopping area. The Scroggie system requires the buyer to designate the supermarket at which the purchasing incentive can be exercised. (See Scroggie, Abstract; col. 1, lines 50-65; col. 2, lines 1-3, lines 10-12, lines 41-42; col. 4, lines 12-14; col. 8, lines 57-58; and col. 9, lines 66-col. 10, line 1; col. 12, lines 1-

In re Application of Mark R. Duchow
Serial No. 09/682,876

9). In no instance does Scroggie teach a system or method that selects the retailer based on the buyer's product selection.

To legally anticipate the claimed subject matter under §102 requires that each and every element of a claim be disclosed in a single prior art reference. *Paperless Accounting, Inc. v. Bay Area Rapid Transit Sys.*, 804 F.2d 659, (Fed. Cir. 1986), *cert. denied*, 480 U.S. 933 (1987).

Further, the disclosure in the reference must be enabling; that is, it must meet the requirements for U.S. patents under 35 U.S.C. § 112, first paragraph. *Id.*

Objectively, under this standard, Scroggie does not anticipate Applicant's claimed reseller selection based on "product selection" and buyer information, as recited in independent Claims 2, 3, 14, 15, 32, 44 and 53. Therefore, these Claims, as well as their respective dependent Claims, are patentable over Scroggie under §102 for at least the reasons discussed above.

With respect to inherency, anticipation may reside even if the prior art relied on does not expressly disclose a minor aspect of the claimed invention. *In re King*, 801 F.2d 1324 (Fed. Cir. 1986). Inherency permits, in very limited circumstances, an invention to be anticipated by prior art that is lacking minor, well-known features in the claimed invention. *Id.* That is, the missing function must necessarily result from the teachings of the prior art reference. *Id.*

As discussed above, Scroggie does not expressly disclose the claimed function of selecting of a retailer based on the buyer's product selection. In addition, this function is not inherent in Scroggie because it does not necessarily result from the teachings of Scroggie.

A fair reading of Scroggie indicates that it discloses an online grocery shopping system that is intended, among other things, to supplant mail distribution of coupons for

In re Application of Mark R. Duchow
Serial No. 09/682,876

supermarkets (col. 1, lines 15-40). As is known, coupons that are mass mailed to consumers in this manner do not necessarily guarantee that they are redeemable at a local retailer, even if the retailer is selected by the buyer. Thus, by its nature, Scroggie's system does not inherently select a retailer based on products selected by a buyer. This lack of inherency is further confirmed by Scroggie's disclosure in FIG. 13 of an Internet system for distributing purchasing incentives. This particular arrangement of Scroggie's system includes a server 300 that directly transmits purchase incentive data to the supermarkets selected by the buyer (col. 12, lines 1-9). Under this scheme, Scroggie teaches that the buyer selects a store (col. 12, lines 2-3). The purchase incentive may or may not be redeemable at the store. Because the system does not know whether the promotion is available at the buyer selected-store, the server 300 is configured to send an advisory message to the buyer to confirm the existence of the promotion at the store (col. 12, lines 8-9). This teaching indicates that Scroggie, when read in its entirety, does not inherently teach a system that selects a retailer based on the product selection. Rather, Scroggie discloses a system in which the user selects a local retailer, and the purchase incentive may or may not be redeemable at the selected retailer.

For at least the forgoing reasons, the feature of selecting a reseller based on product selection and buyer information, as recited in Claims 2, 3, 14, 15, 32, 44 and 53, is not inherently taught by Scroggie. Therefore, these Claims, as well as their respective dependent Claims, are patentable over Scroggie under §102

Claims 38 and 47 have each been amended to recite "a reseller having a producer-assigned territory". Support for this feature is found in at least paragraph 5 of Applicant's written specification. This feature is not taught or suggested by the cited references, and

In re Application of Mark R. Duchow
Serial No. 09/682,876

therefore, Claims 38-47, as well as Claims 39-43 and 48-52 by their respective dependency, are patentable over Scroggie under §102.

Rejection Under 35 U.S.C. §103

Applicant respectfully requests reconsideration and withdrawal of the rejection of Claims 4-12, 16-21, 24-31, 34, 36, 47-49, and 51-52 under §103. To establish a *prima facie* case of obviousness, three basic criteria must be met. *See* MPEP 2143. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art to modify the reference or to combine reference teachings. *Id.* Second, there must be a reasonable expectation of success. *Id.* Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. (Emphasis added.) *Id.*

With respect to the all claim limitations requirement of the MPEP, the references of Scroggie and Cupps (U.S. Patent No. 5,991,739) fail to teach or suggest all of the features recited in the claims. In particular, the feature of selecting a reseller based on buyer location and product selection is not suggested or taught by Scroggie or Cupps, either alone or in combination. For at least this reason, the Claims are patentable over the proposed combination of references under §103, and Applicant respectfully requests reconsideration and withdrawal of the rejection.

In addition, according to established legal standards, obviousness under 103 is a legal conclusion that requires a factual inquiry into the (1) the scope and content of the prior art, (2) the level of ordinary skill in the art, (3) the differences between the claimed invention as a whole and the prior art, and (4) any objective evidence of secondary considerations of non-

In re Application of Mark R. Duchow
Serial No. 09/682,876

obviousness, such as commercial success, copying, licensing, adoption by industry, long felt need, or failure of others. *Graham v. John Deere Co.*, 383 U.S. 1 (1966). In making out a *prima facie* finding of obviousness, the Examiner must consider all facts in the four categories listed above. More particularly, under §103, the question is not whether the differences between the prior art and the claimed invention themselves would have been obvious, but whether the claimed invention as a whole would have been obvious. *In re Antonie*, 559 F.2d 618 (CCPA 1977) ("It is the invention as a *whole*, not some part of it, which must be obvious under 35 U.S.C. §103") (Emphasis added).

Thus, it is not correct for the Examiner merely to focus on the differences between the prior art and the claimed invention, and then to state that the differences themselves are obvious. "It is impermissible to use the claimed invention as an instruction manual or 'template' to piece together the teachings of the prior art so that the claimed invention is rendered obvious." *In re Fritch*, 972 F.2d 1260 (Fed. Cir. 1992). One cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention. *Id.*

In the final Office Action, the Examiner stated:

"... that the only two features in the dependent (sic) claims which were rejected under 35 U.S.C. 103 for obviousness in view of Cupps, were the features of letting the buyer enter a preferred producer (manufacturer) (Claims 4, 12, 16, 21, 24, and 47) and for transmitting the information to the buyer using a telephone or fax machine (Claims 34 and 36). None of the affidavits make any mention of these features, let alone claim that either of these features contributed to the commercial results as discussed." (Paper No. 12 at p.3).

From this statement, it appears that the Examiner is picking and choosing among the claimed feature in order to sustain the obviousness rejection. As the case law and MPEP

In re Application of Mark R. Duchow
Serial No. 09/682,876

make clear, this type of analysis under §103 is improper. The claimed invention must be considered as a whole, including evidence of secondary considerations. For this reason, Applicant respectfully requests reconsideration of the rejection under §103.

Moreover, a determination under §103 should rest on all the evidence and should not be influenced by any earlier conclusion. *See, e.g., In re Piasecki*, 745 F.2d 1468 (Fed. Cir. 1984). Once the Applicant has presented rebuttal evidence, such as Affidavits, the Examiner should reconsider any initial obviousness determination in view of the entire record. *Id.* It is well established in the law that rebuttal evidence may include evidence of "secondary considerations," such as commercial success, copying by others, licensing, and industry acceptance. *Graham v. John Deere Co.*, 383 U.S. 1 (1966). Evidence of secondary considerations must always be considered in an obviousness determination. *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530 (Fed. Cir. 1983). With respect to evidence of commercial success, the Supreme Court has specifically noted that "commercial success is an indication of nonobviousness that must be considered in a patentability analysis". *Graham*, 383 U.S. at 17.

Applicant has submitted strong evidence of nonobviousness supported by secondary considerations (See Response To Office Action Dated October 10, 2002, Paper No. 10 at pp. 8-11; Declarations of M. Duchow, B. Sargent, G. Sullivan). As discussed in Applicant's prior Response (Paper No. 10 at pp. 8-11), the Declarations in the record provide substantial evidence of copying, commercial success, licensing, and industry acceptance of the claimed invention. Applicant respectfully requests that the Examiner reconsider the Declarations and Applicant's prior arguments (Paper No. 10) in conjunction with the claimed invention as a whole.

In re Application of Mark R. Duchow
Serial No. 09/682,876

For at least the forgoing reasons, Claims 4-12, 16-21, 24-31, 34, 36, 47-49, and 51-52, are patentable over the combination of Scroggie and Cupps under §103.

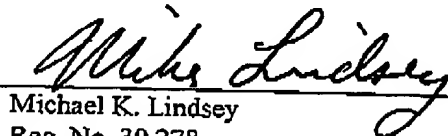
Conclusion

Each of the pending claims in this application is in condition for allowance and early notice to this effect is earnestly solicited. If, for any reason, the Examiner is unable to allow the application and feels that a telephone conference would be helpful to resolve any issues, the Examiner is respectfully requested to contact the undersigned attorney at the 312-595-1169.

The Commissioner is authorized to charge any fees which may be required, or credit any overpayment, to Deposit Account No. 08-3038/03715.0003.NPUS00.

Date: 1/28/03

Respectfully submitted,



Michael K. Lindsey
Reg. No. 39,278
HOWREY SIMON ARNOLD & WHITE, LLP
1299 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
(312) 595-1239
Attorneys for Applicant(s)

In re Application of Mark R. Duchow
Serial No. 09/682,876

APPENDIX

VERSION WITH MARKINGS TO SHOW CHANGES MADE BY AMENDMENT

38. (Amended) A method of providing a purchasing incentive to a buyer over a computer network, comprising:

- receiving buyer information over the computer network;
- determining a geographic location of the buyer based on the buyer information;
- selecting a reseller having a [predetermined distribution] producer-assigned territory covering the geographic location of the buyer; and
- communicating the purchasing incentive to the buyer over the computer network, the purchasing incentive being redeemable at the selected reseller.

47. (Amended) A system for providing a purchasing incentive to a buyer over a computer network, comprising:

- a reseller database for storing information concerning one or more resellers;
- an entry screen, accessible over the computer network, capable of receiving information indicating a geographic location of the buyer; and
- a computer software program capable of selecting from the reseller database a reseller having [a predetermined distribution] a producer-assigned territory covering the geographic location of the buyer, the software program communicating the purchasing incentive to the buyer over the computer network, wherein the purchasing incentive is redeemable at the selected reseller.